

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, February 9, 2004.

Hon. J. DENNIS HASTERT,
The Speaker, House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on February 9, 2004 at 1:03 p.m. and said to contain a message from the President whereby he submits the Economic Report of the President.

With best wishes, I am

Sincerely,

JEFF TRANDAH, L.
Clerk of the House.

ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 108-145)

The SPEAKER pro tempore (Mr. COLE) laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Joint Economic Committee and ordered to be printed:

ECONOMIC REPORT OF THE PRESIDENT

To the Congress of the United States:

As 2004 begins, America's economy is strong and getting stronger. Over the past several years, this Nation has faced major economic challenges resulting from the decline of the stock market beginning in early 2000, a recession that began shortly after, revelations about corporate governance scandals, slow growth among many of our major trading partners, terrorist attacks, and the war against terror, including in Afghanistan and Iraq. These challenges affected business and consumer confidence and resulted in hardship for people in many industries and regions of our Nation. Americans have responded to each challenge, and now we have the results: renewed confidence, strong growth, new jobs, and a mounting prosperity that will reach every corner of America.

This Report, prepared by my Council of Economic Advisers, describes the economic challenges we faced, the actions we took, and the results we are seeing. It also discusses our plan to continue growing the economy and creating jobs.

In May 2003, I signed a Jobs and Growth bill that focused on three key goals. First, we accelerated previously passed tax relief and let American households keep more of their own money to save, invest, and spend. Second, we increased incentives for small businesses to invest in new equipment and plant expansions. Third, we enacted important tax relief on dividend income and capital gains to help investors and businesses. These actions were designed to promote investment, job creation, and income growth. By all three measures of performance, we are seeing signs of success.

Since May 2003, we have seen the economy grow at its fastest pace in nearly 20 years. Consumers and businesses have gained confidence. Retail sales are strong, and Americans are buying, building, and renovating houses at a record pace. Investment has strengthened, with spending on business equipment the best in 5 years. The unemployment rate has fallen from its peak of 6.3 percent last June to 5.7 percent in December, and employment is beginning to rise as new jobs are created especially in small business. Productivity growth has been strong, leading to higher incomes for workers, while the tax relief we passed means that American families keep more of their money instead of sending it to Washington.

We are moving in the right direction, but have more to do. I will not be satisfied until every American who wants a job can find one. I have outlined a six-point plan to promote job creation and strong economic growth. This plan includes initiatives to help manage rising health care costs to make health care more affordable and accessible for American workers and families; reduce the burden of junk lawsuits on the economy; ensure a reliable and affordable energy supply; simplify and streamline government regulations; open foreign markets for American goods and services; and allow businesses and families to keep more of their hard-earned money and plan with confidence by making our tax relief permanent. This year, I will work with the Congress to achieve these goals.

I will also continue to work with the Congress on another important shared goal: controlling federal spending and reducing the deficit. The federal budget is in deficit, foremost because of the economic slowdown and then recession that began in 2000 and the additional costs of fighting the war on terror and protecting the homeland. We are continuing to take action to restrain spending and bring the deficit down. By carefully evaluating priorities and being good stewards of the taxpayer's money, we will cut the budget deficit in half over the next five years.

The task of reducing the deficit will become easier because America's economy is growing. We have taken the actions needed to restore growth, and we are pursuing additional policies to help create jobs for American workers and families. I'm optimistic about the future of our economy because I know the values of America and the decency and entrepreneurial spirit of our people.

GEORGE W. BUSH.
THE WHITE HOUSE, February 2004.

PROLIFERATION OF WEAPONS OF MASS DESTRUCTION

(Mr. RADANOVICH asked and was given permission to address the House for 1 minute.)

Mr. RADANOVICH. Mr. Speaker, the proliferation of weapons of mass de-

struction poses the most serious of dangers to the peace of the world. Chemical, biological, and nuclear weapons in the hands of terrorists could bring catastrophic harm to America and to our friends around the world. We must oppose that threat by any means necessary.

The men and women of our intelligence community have already found a very revealing component of Iraq's biological weapons program. Two mobile production facilities equipped to produce biological weapons. Iraqis allege that these trucks are pharmaceutical labs. But what possible reason could there be for two such mobile labs in the middle of the desert? And why, if these vehicles were merely pharmaceutical trucks, did the Iraqi soldiers wash them out with bleach while the war was going on?

President Bush's decisive action and leadership is keeping our country and allies safe from terrorist groups that are unrestrained in their choice of weapon and undeterred by conventional means. Our perseverance and our belief in the success of liberty assures our security, and we will not relent until this war is won.

OUTSOURCING OF U.S. SERVICE JOBS OVERSEAS

(Mr. MICHAUD asked and was given permission to address the House for 1 minute.)

Mr. MICHAUD. Mr. Speaker, I come to the floor today in total disbelief. The Washington Post reported this morning that President Bush's top economic adviser, Gregory Mankiw, said that outsourcing U.S. service jobs overseas is actually good for the Nation's economy. This is absolutely outrageous. Sending jobs overseas is good?

Just tell that to the 23,000 Mainers who lost their manufacturing jobs in the last 8 years. Tell that to the 2.2 million Americans who lost their jobs since President Bush took office. These people have seen their hard-earned jobs shipped overseas due to unfair trade agreements and terrible management of our economy. They are the ones who suffer.

I spent 30 years working in a paper mill. It went bankrupt last year. Maybe this administration should take a look at what is happening in places like my hometown, places that need these jobs all across America, before saying that shipping jobs overseas is a good idea.

It might give them a dose of reality that real Americans face every day.

COMMENDING FN MANUFACTURING, INC.

(Mr. WILSON of South Carolina asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILSON of South Carolina. Mr. Speaker, when Americans watch the nightly news images of U.S. troops on